

ORIGINAL

FORMAL COMPLAINT



0000080228

January 20, 2008

Arizona Corporation Commission & Staff

Subject: Payson Water Company-BUI (Brooke's Utilities)

From: Rebecca M. Sigeti

HC 7 Box 451

Payson, AZ 85541

Re: New Docket #

RECEIVED

2008 JAN 25 A 9:39

AZ CORP COMMISSION
DOCKET CONTROL

W-03514A-08-0047

Please let this be recognized by all parties involved as a formal complaint by the undersigned.

I am currently a customer of Payson Water Company and have been involved in a meeting that took place on November 10, 2007 at the Geronimo Estates Fire Hall. In this meeting notes were taken and distributed to all attendees of this meeting in which I did most of the work to organize the meeting and distribute the information at this meeting.

During this meeting it was agreed by Mindy Brogden-Payson Water Company representative to follow up on specific items and report back to the group at the meeting. This has not occurred, unfortunately once again the Arizona Corporation Commission is taking what is being said by the Payson Water Company at face value and nothing has been done.

I have attached for your reference the notes from the meeting as well as copies of letters that were sent to both Mindy Brogdon & Bradley Morton in which I expressed the need to follow up with the committed agenda and to contact me when a meeting was to occur to get the information requested from Payson Water Company. As of this writing nothing has happened.

I had filed a motion to intervene on Docket #W-03514A-07-0386 of which I have been granted no satisfaction as of this date.

My request to the Arizona Corporation Commission & Staff is DO SOMETHING to hold Payson Water Company accountable for its actions. I have been proven over and over again that whatever Payson Water Company says in correspondence has been taken at face value with no follow up and/or investigation to the truth. The last example I can give you is that in a legal document I have recently read from Payson Water Company attorneys they state that another meeting has taken place in regards to this matter. When was this meeting? Who attended this meeting? I was not invited to this meeting? I was never notified of any meeting? I am on the email listing of Payson Water Company and I never got any such notice that another meeting was taking place.

I have received nothing in regards to correspondence and nothing has been done to resolve the issue.

Arizona Corporation Commission

DOCKETED

JAN 25 2008

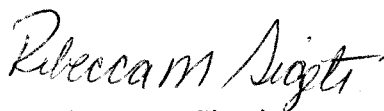
DOCKETED BY

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Payson Water Company needs to step up the plate and resolve the storage and water issues we have asked them to resolve or they need to immediately turn over all operating assets, ADEQ permits Ect. to the Property owners of Elusive Acres community. The Elusive Acres Well was never intended to provide water to Geronimo Estates and Payson Water Company needs to find a way to resolve that issue as well.

I respectfully ask that the Arizona Corporation Commission do something to resolve this matter, otherwise I will have no choice but to take this matter to another level and file the legal actions necessary to provide the adequate water service necessary to provide for the Elusive Acres Community.

Sincerely,



Rebecca M. Sigeti

CC: Arizona Corporation Commission-Docket Control (original & 13 copies)
Brooke Utilities, Inc./Payson Water Company (1 copy)
Gliege Law Offices (1 copy)
Attorney General Terry Goddard (1 copy)

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November 12, 2007

Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007

Attention: Bradley Morton

Dear Bradley

Thank you very much for attending our meeting regarding Elusive Acres & Geronimo Estates water system. As per our agreement I am enclosing the following for your records

1. Attending sign in listing-I apologize for the lightness of the copy my toner in my machine is going out.
2. Update Mailing Address information-again I apologize for the lightness of the copy.
3. Notes as were taken by Battina Nelson on behalf of our group at this meeting.

Also I have forwarded a copy of the same information to Mindy Brogdon-Brookes Utilities, Inc.

I would like to request a copy of your transcript notes be sent to me as well.

When you are ready with your copies of notes and are prepared to follow up on the action items requested please contact me directly as I will be in charge of getting us all together again.

I can be contacted several different ways

1. Mailing: Rebecca M. Sigeti HC 7 Box 451 Payson, AZ 85541
2. email zigetti@hughes.net
3. Phone #'s Home 928-468-0511 Work 928-468-6211 (I am at work Monday thru Friday 7:00 a.m. to 5:00 p.m.) best time to reach me is during this time).

Thank you again your comments and answers to questions were very informative. I look forward to working with you to try to resolve our issues.

Sincerely,

Rebecca M. Sigeti
Lot 1 Elusive Acres

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November 12, 2007

Brooke Utilities, Inc.
HC 1 Box 1544
Strawberry, AZ 85544

Attention: Mindy Brogdon

Dear Mindy

Thank you very much for attending our meeting regarding Elusive Acres & Geronimo Estates water system. As per our agreement I am enclosing the following for your records

1. Attending sign in listing-I apologize for the lightness of the copy my toner in my machine is going out.
2. Update Mailing Address information-again I apologize for the lightness of the copy.
3. Notes as were taken by Battina Nelson on behalf of our group at this meeting.

Also I have forwarded a copy of the same information to Bradley Morton-Arizona Corporation Commission Representative.

When you are ready with your copies of notes and are prepared to follow up on the action items requested please contact me directly as I will be in charge of getting us all together again.

I can be contacted several different ways

1. Mailing: Rebecca M. Sigeti HC 7 Box 451 Payson, AZ 85541
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Thank you again your comments and answers to questions were very informative. I look forward to working with you to try to resolve our issues.

Sincerely,

Rebecca M. Sigeti
Lot 1 Elusive Acres

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Water Meeting
Saturday, November 10, 2007
10:00am
Geronimo Estates Fire Hall

Key representatives: Bradley Morton, Arizona Corporation Commission (aka ACC)
Mindy Brogdon, Brooke Utilities, Inc (aka BUI/ Payson Water Company)
Harry Jones, Gila County Water

Attendance: 35 interested parties, homeowners, and property owners (names attached)
Open Forum: 5 property owners shared their concerns and questions

The following Dockets are referenced:

- **ACC Docket No. W-03514A-05-0729** (recorded 12/26/2006)
 - 2006 Report by Payson Water Co. Inc. on Water Supply Alternatives of its Geronimo Estates and Elusive Acres Water Systems.
 - In the matter of the application of the Whispering Pines Fire District for a variance to the moratorium on new service connections for Payson Water Company's Geronimo System
 - This alternative water study report was the byproduct of an order by the ACC to Brooke Utility to be performed and compiled for public record.
- **Docket W-03514A-07-0386** (recorded September , 2007)
 - Filed by Steve Prahin to ACC as a formal complaint regarding recent water shortages and failure to remedy. Letter response from ACC stated no relief was requested and therefore no actions would be taken. There would be 30 days to update the docket or have it dismissed.
 - Motion to Intervene was filed on Docket -0386 (by Becky Sigeti on September 2007) stating relief should adhere to an email response from ACC representative Steve Olea (dated 7/23/2007) advising:
 - Additional well and increased storage of 50,000 gallons in ground by early Summer 2008, and
 - Staff members of ACC, BROOKE UTILITIES, INC., county and community representatives; as well as an independent well professional should also give the community the facts surrounding these steps.
 - Motion to Intervene was filed on Docket -0386 (by Jimmi Dunn on September 2007) stating ACC should provide clearer direction to fix the obstacles and roadblocks that hinder owners from obtaining water service to their property. Is asking the ACC to manage this water issue on behalf of all the constituents involved.

Background Discussion

Becky Sigeti: FT resident since September 2006. Purpose of filing is to ask for enforcement by ACC to hold Brooke's Utilities accountable for proper storage and servicing of the well system in GE/EA.

- a. Is searching to understand the issues surrounding inadequate water supply periodically,
- b. Looking for data and options surrounding cost-effective alternatives available to residents, such as placement of storage tanks or deepening the well etc.
- c. Would like the service level of Brooke Utilities to meet the same as other utilities such as Phone, Electric, Cable in the area. Typically, they have not been as responsive.

JimDunn: Property Lot owner since 2005, and over the course of almost 3 years has spent thousands of dollars in travel, time off work, and fees to finally receive a meter. Believes the ACC should provide clearer direction to fix the obstacles and roadblocks that hinder owners from obtaining meters and water to their property. Is asking the ACC to take steps to manage this water issue on behalf of all the constituents involved. Issues involve:

- a. Enacting measures to include storing water when the well is producing above average, store, filter and make potable for backup.
- b. Make restitution to original owner who still holds deed to well and easement
- c. Enforce accountability regarding 27,000 gallon storage that is represented in public records, but only 15,000 tank is part of the well system. Where is the other 12,000-gallon storage?
- d. Testing and recorded reliable data that reconciles the capacity of the well by ACC and Brooke Utilities.
- e. Moving forward to install additional well and storage by the summer of 2008. (See docket).

Harry Jones: Highlighted efforts made over the years and some of the high-level results of the Mogollan Rim Water Study. He represents Gila County on this study that spans over 400 square miles. This water study involves mapping ground water flows within Northern Gila County Area, which spans across Strawberry and the Western Boundary of Gila Co. south and as far south as Oxbow Estates. This study is funded by the Bureau of Reclamation \$300K, Gila Co. \$150K, City of Payson \$150K, SRP Mapping Services \$25K and other grants. Information distributed from this study includes:

- a. Results that supported the drilling of two deep wells (1 north and 1 south of Pine: Milk Ranch Well and Strawberry Hollow.
- b. There is a regional Aquifer in this area. It has been determined that leakage from the "C Aquifer" feeds the various area needs. The geological survey also records faults that may lead to water.
- c. The process is lengthy and complex using isotope analysis for interchange and mixing of water of which then must be compiled and distributed to the communities.
- d. There is a need to do test wells throughout the region, and they must be strategically placed. The area of Geronimo appears to be a suitable test area that should be looked into. The testing would confirm hydrological depths.
- e. As part of the 100-year adequacies Studies only 2 wells in Gila County are rated at 100 year-Strawberry Hollow and Hunter Creek.

Reference Information: Payson Water Company services 7 different communities

Open Forum

Jay Figley: has been a property and homeowner on Munsee Rd and has had a meter in place for 47 years. Would this docket discussed today (-0386) affect him? The answer was no.

Jerry Burnside: an engineer and property owner on Munsee Drive stated he was unfamiliar with the water situation and posed several questions.

1. What were property owners in Elusive Acres told about water when they bought their lots? Owners were told a community well was in place that was approved to serve the 30 lots of Elusive Acres. During the last couple of years it was determined that the well was actually supplying water to 88 lots (Elusive Acres and Geronimo Estates), thus the occasional interruption of water. The well was never intended to support the entire community.

2. Is the Mogollan Rim Water Study part of what the County is trying to do to solve the problem? The main purpose of the study is to provide viable water information and suggested ideal sites along with the odds of finding water in those locations. The study has 44 communities tied into it. (Estimates for well drilling may range from \$100,000 to \$250,000 however, there is never a guarantee water would be found).
3. Is the well pump for Elusive Acres functioning properly? MB-Brooke Utilities—yes, the pump issues over the summer have been resolved. The pump is sufficient and doing the job.
4. Why is there such a quick succession of Stages between 1 and 5 with no interim steps? MB-Brooke Utilities—Yes they appear rapid due to readings only being done monthly. While inherently it makes sense to raise the stage of alert due to pending high peak usage, by law they are not allowed to do so unless a reading has been taken to corroborate.

Randall Kincaid: Homeowner in Geronimo Estates. Stated his concern regarding the number of signatures obtained on the circulating petition to hold Brooke Utilities accountable and fix the well issues, or turn the water system over to the residents. He felt with 40 signatures at this point, it was not a fair representation of the consensus of the overall resident population and would like to understand more fully.

- a. Becky Sigeti informed the group that public records indicated 88 connected meters in the Geronimo Estates/Elusive Acres were served by the wells that should be supported by Brooke Utilities, and signers of the petition were deemed to have meters unless otherwise proven.
- b. Harry Jones-Gila Co. also mentioned that there were approximately 252 lots in the area, of which there were 80+ meters installed.
- c. Mr. Kincaid also stated that he felt most homeowners did not want to own a well. Should Brooke Utilities make capital expenditures for the community? Yes. Should the residents have a consistent water supply? Yes. Should anyone have to pay significantly higher rates when we get to that point?
- d. He also applauded the County for their cautious and balanced approach to the water issues and helping the community seek resolution.

Roland Spokely: as member of the local homeowners group, he would be happy to provide updated mailing lists and labels to keep everyone informed. Additionally the Homeowners group would help pay for future mailings regarding the results and next steps of this meeting. He also stated the three compelling issues he saw were:

- Is the company profiting?
- There are people who have existing meters
- There are people who want meters and to pursue obtaining them.

Other thoughts expressed included:

- a. It's a bad year-another in a series of a drought not yet defined
- b. The community will never produce a lot of income and many are on fixed incomes.
- c. Some people have fairly average producing wells so would that help to alleviate some of the water concerns? MB-Brooke Utilities—whenever possible the company would like to participate in a “water share” partnership with other well owners to buy their excess water. Four – 5 gallons a minute excess would assist the community.

James & Florence Dye; Homeowners in Geronimo Estates--posed the question of whether or not the owners of the new wells in Pine were working to “water share” with Brooke Utilities. HJ-Gila Co—as of this date the owners have not been able to negotiate any agreements with Brooke Utilities to make a cost recovery program work.

Mindy Brogdon-Brooke Utilities: addressed questions and concerns where possible. Some information shared was:

- The 2 existing wells are actually pretty shallow (approximately 200' each in depth). It does make sense to recommend going to 350-400' with a 4-6" casing. Again the rate base would need to be reviewed in order to support this effort against the proposed dollar spend.
- The footprint of the lower well site has approximately 60'x80' of room to support additional storage. The well on top has less space but could accommodate more as well.
- Summers are typically lowest production times (high peak usage) for wells. Brooke Utilities would not be opposed to explore deepening the wells (during the winter season would be best). There is currently no risk of running out of water for Christmas and New Years in 2007.
- The current water moratorium was put in place by the ACC and is lifted when the water company can produce and sustain adequate water production. Periodically it is reviewed.
- Water meters in place today but not servicing a residence have been grandfathered. They will not be swapped in exchange for a meter on the wait list. Going forward requests for meters usually has involved submission of a building permit or other use permit.
- There is a waiting list for water meters. Brooke Utilities to confirm who is on the list and communicate to those individuals when conditions may change so they can be installed.
- Any homeowner that would like to be placed on an Advisory list that is distributed by Brooke Utilities can contact Mindy Brogdon at: myndibrogdon@msn.com. Please include your full name and account number.
- Anyone who is aware of a well owner that would like to look into a "water share" partnership program with Brooke Utilities should contact the company at 928-476-2500, or write

Brooke Utilities, Inc.
HC1 Box 1544
Strawberry, AZ 85544

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Follow-up Tasks:

Date Opened	Opened By Whom	Responsible	Issue	Target Date
11/10/07	Water Meeting Attendees	Mindy Brogdon-Brooke Utilities	Research discrepancy in public records regarding 27,000 storage capacity, when only a 15,000 gallon tank is part of the current well. Provide and document explanation.	11/23/07
11/10/07	Lot Owners of #6	Mindy Brogdon-Brooke Utilities	Determine Deposit on file for water meter never installed, and return funds to property owners	11/23/07
11/10/07	Water Meeting attendees	Mindy Brogdon-Brooke Utilities	To pursue cost to provide additional water storage up to 50,000 and correlating effect to the base rate.	12/15/07
11/10/07	Water Meeting Attendees	Harry Jones-Gila County	Pursue information and next steps to consider community for Test Well pilot	11/30/07
11/10/07	Water Meeting Attendees	Becky Sigeti/Roland Spokely	Reconcile mailing lists and make updates collected at meeting	11/23/07
11/10/07	Water Meeting Attendees	Bettina Nelson	To recap meeting agenda, concerns, issues and next steps	11/23/07
11/10/97	Mindy Brogdon-Brookes Utilities	Mindy Brogdon, Steve Prahin, Becky Sigeti, Bettina Nelson, Jimmi Dunne, Harry Jones	Set up follow up meeting to document next steps with assignment of tasks	11/15/07
11/10/07	Water Meeting Attendees	Becky Sigeti/Roland Spokely	Send out update to participants of water meeting, in addition to residents of local area	11/20/07
11/10/07	Water Meeting Attendees	Mindy Brogdon-Brooke Utilities	Update Wait List for Water Meters and confirm to individuals	11/30/07
11/10/07	Bettina Nelson		Pat Durham (lives on Paint Pony) volunteered to help capture notes at subsequent meetings if additional help was needed (928-474-2226)	